

SENATE BILL REPORT

SB 6319

As Reported by Senate Committee On:
Financial Institutions, Housing & Insurance, February 4, 2014

Title: An act relating to the definition of residential real property in homeowners' associations.

Brief Description: Modifying the definition of residential real property in homeowners' associations.

Sponsors: Senators Bailey, Roach, Sheldon, Braun and Angel.

Brief History:

Committee Activity: Financial Institutions, Housing & Insurance: 1/28/14, 2/04/14 [DP].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

Majority Report: Do pass.

Signed by Senators Angel, Co-Chair; Hobbs, Co-Chair; Benton, Vice Co-Chair; Mullet, Vice Co-Chair; Fain, Hatfield, Nelson and Roach.

Staff: Alison Mendiola (786-7483)

Background: A homeowners' association (HOA) is an organization consisting of the homeowners and property owners within a residential development. HOAs are usually created by a land developer or builder of a planned residential development pursuant to a declaration of covenants, conditions, and restrictions.

HOAs may be organized in different ways, including incorporation under the Business Corporation Act or the Nonprofit Corporation Act, or as an unincorporated association. The duties and powers of an HOA are defined by the Homeowners' Association Act (HOAA), the HOA's declaration and other governing documents, and the law governing the HOA's legal entity, e.g., nonprofit corporation law.

Under the HOAA, residential real property means any real property, the use of which is limited by law, covenant, or otherwise to primarily residential or recreational purposes.

Summary of Bill: The definition of real property is amended to exclude marina slips that are incorporated as their own community association.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The act is effective both retroactively and prospectively.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: There is an HOA in Anacortes that requires certain boat slip owners to be members of the HOA although many of the owners do not reside on the property. These owners are required to have as many memberships as they have boat slips. The same boat owners also belong to a condo association organized for the marina slip owners. These owners do not want to belong to the HOA in addition to the marina slip condo association, as they derive no benefit from the membership. The definition of real property should be amended to exempt marina slips that are incorporated as their own community association.

Persons Testifying: PRO: Alan Weeks, John Adams, Dana Pratt, Norm Chapman, Judy Chapman, Martha Adams, citizens.